

October 19, 2012

To: Governing Board

Subject: **Fiscal Year 2013 Budget Adjustment**

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## **Recommendation**

Increase Foothill Transit's Fiscal Year 2013 capital budget by \$1,032,687 and authorize the budget adjustments listed below.

## **Analysis**

Foothill Transit currently has projects that will require additional funding allocation because of unanticipated costs or changes in project scope. The changes are primarily attributable to project cost estimates prepared two or more years ago based on then current technology, or changes in scope as a result of new technology that allows enhancements not previously considered as further detailed below.

- The most recent purchase of 14 replacement buses completed in June of this year leaves a surplus of \$4,994,000 which is now available for other projects.
- The current order of 34 replacement buses was originally budgeted in the Fiscal Year 2011 Business Plan based on then estimated costs. The amount budgeted did not include future costs such as in-plant bus inspections, legal services, use tax, and transfer of existing fareboxes and SMARTBus equipment from buses that will be retired when these new coaches are placed into revenue service.
- The amount currently budgeted and programmed for the planned procurement of 30 replacement buses was limited to available funding. In the event funding was not sufficient and additional funding was not available, the project would be modified to stay within budget. It is estimated other costs related to this procurement including in-plant bus inspections, legal services, use tax, and transfer of existing fareboxes and SMARTBus equipment from retired buses may increase the total cost of this project.
- The Diamond Bar Park & Ride project is advancing more rapidly than anticipated and funding is needed in order to prepare the necessary architectural engineering drawings; apply for necessary permits and fees; and to ensure that the necessary environmental clearance process will be completed expeditiously. This amount is expected to cover all expenses leading up to the construction bidding process.

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- Our Finance and Facilities teams have recently completed an assessment of the fare collection process at Foothill Transit's Arcadia facility along with the new operations contractor at that facility and have recommended some hardware and procedural modifications to our current fare revenue collection and vaulting process. These changes will bring operations at the Arcadia facility more in line with industry best practice and the current process at Foothill Transit's Pomona operations and maintenance facility. The increased funding for the UFS Fareboxes project will allow fareboxes to be electronically probed and the fareboxes vaulted immediately upon return to the operating facility as is the practice at Foothill Transit's Pomona facility.
- The facility hardening project involves the replacement of existing chain link fencing at the Arcadia operating facility with masonry block, concrete, and steel fencing; the addition of live-view security camera systems at all three facilities; the addition of an enhanced access control system at all three facilities; and the addition of a secure and resilient wireless telecommunications infrastructure that allows data communication between Foothill Transit's operating facilities and the administrative offices. This project encountered conditions during the initial phases of construction that have required additional architectural and engineering services and equipment /materials, resulting in change orders to complete the project. Also, Foothill Transit's security consultant has recommended a number of updates to the facility hardening project that will incorporate line-of-sight data communication between facilities without interference or interruptions.

The recommended budget adjustment will increase the capital projects budget by \$1,032,687 which can be funded with \$663,287 in Proposition 1B Transit Security bond funds and \$369,400 in unallocated Fiscal Year 2013 capital funds. While total project budget increases exceed these amounts, the increases result from the movement of funding between projects.

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The recommended changes are listed below:

Capital Project	Approved/ Available Budget	Transfer to (From)	Funding Increase	Adjusted Budget
Replacement Buses (14)	\$4,994,000	(\$4,994,000)	\$0	\$0
Replacement Buses (34)	20,165,650	3,200,000		23,365,650
Replacement Buses (30)	18,880,000	794,000		19,674,000
Diamond Bar Park & Ride	0	1,000,000		1,000,000
UFS Fareboxes	0		369,400	369,400
Facility Hardening	1,893,240		663,287	2,556,527
	<u>\$45,932,890</u>	<u>\$0</u>	<u>\$1,032,687</u>	<u>\$46,965,577</u>

## Budget Impact

The Fiscal Year 2013 capital budget will increase by \$1,032,687 which will be funded with \$663,287 in Proposition 1B Transit Security Bond funding and \$369,400 from the Fiscal Year 2013 Capital Equipment Fund. These budget adjustments will result in a balanced budget for Fiscal Year 2013.

Sincerely,



Richard Hasenohr  
Director of Finance



Doran J. Barnes  
Executive Director